_	belong programming and a commitment to
2	localism is the only way, in our minds, that an AM
3	station can be successful. The Tribune Company with
4	its long time dedication to news and community service
5	has made a sustained commitment to supporting a radio
6	station like WGN. If WGN were sold because an FCC
7	rule required it, WGN would most likely end up no
8	longer being a stand alone station, instead falling
9	into the hands of a multi-station conglomerate.
LO	MODERATOR SIGALOS: Thank you. Thank you,
L1	Mr. Langmyer.
L2	MR. LANGMYER: Thank you. WGN Radio is
13	live, we are local, and we're connected to the
L 4	community and strengthened for the community by its
15	historic ties to the Tribune Company. Thank you.
16	MODERATOR SIGALOS: Thank you, Mr.
17	Langmyer.
18	(Applause.)
19	MODERATOR SIGALOS: Ms. Leavell.
20	MS. LEAVELL: Yes. Good evening, Mr.
21	Chairman, and to the Commissioners, panelists, and
22	people represented here today.
23	I am Dorothy Leavell, Publisher and Editor
24	of The Crusader Newspaper Group, which publishes the
25	oldest African-American weekly newspapers in both
1	

Chicago and Gary, Indiana. In addition, I am Chairman of the National Newspaper Publishers Association Foundation in Washington, D.C., the advocacy and philanthropic arm of the Black Press in the United States.

Our organization represents the country's largest concentration of African-American owned media in this country, represented in more than 145 cities and reaching every Black household in America. For over 180 years, the Black Press has been the voice and pulse of our people, allowing them greater participation in our democracy.

(Applause.)

MS. LEAVELL: It is in this heritage that I come before you today to encourage the FCC to reexamine media rules which have created an environment of unchecked disregard for its minority listenership and viewership. The FCC's deregulations have produced zero benefit for the African-American community as a whole. It has impaired our broadcast media forcing many Black broadcasters into smaller less profitable markets, or pushing them off the air altogether.

The 1996 Telecommunications Act issued a death blow to smaller minority owned firms that cannot afford to advertise on the very airwaves on which

NEAL R. GROSS

their customers listen. All of these Black media 1 companies Clear Channel, Disney, CBS, General 2 Electric, and so forth, are making a profit off of the 3 4 African-American community. But the people themselves --5 6 (Applause.) 7 MS. LEAVELL: -- profit very little. don't want crumbs, we want meaningful participation, 8 9 ownership, access to the airwaves, and more 10 responsible programming. Given our history in this great nation of 11 African-Americans are not surprised by 12 changing of the rules. Once we are in a position to 13 compete, gain access, equity, or justice, suddenly we 14 find that the rules have changed. We are no longer on 15 a level playing field. We aren't even in the same 16 17 ballpark. In 1996, the FCC hosted an all-you-can-eat 18 buffet and the American people were not invited to 19 dine. The level of Black ownership --20 21 (Applause.) MS. LEAVELL: -- our broadcast media has 22 fallen by 30 percent over the past nine years. 23 Commissioner Copps, it's accurate in calling this, and 24 I quote, "A national disgrace." 25

7
ı
_

3

4 5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Black broadcasters Chicago, are In represented solely by WVON, which has heroically fought to stay on the air. But now the community is left to wonder, what will become of the market's only African-American owned radio station, given that now it has a local market agreement, LMA, with Clear It is not lost on industry insiders that LMAs are also referred to as losing-my-ass agreements --

(Applause.)

MS. LEAVELL: We don't want to lose WVON to Clear Channel. We want strong independent profitable African-American broadcast media in Chicago, and throughout the country. Instead, the FCC's past decision have, once again, forced African-Americans to the back of the bus in terms of economic opportunity and equity.

Local radio and television lack quality relevant news and information that adequately depict the diversity of African-American lifestyles.

Instead --

(Applause.)

MS. LEAVELL: -- of complementing the Black Press, which often lacks the resources to reach our people on a desired daily basis, these broadcasters

1	repeatedly ignore the urgent need for quality news and
2	information. Nearly 100 percent of what is broadcast
3	on American airwaves is created, produced and
4	authorized by Christian, White, Asian men, executives
5	headquartered in Dallas and New York are not connected
6	to what is going on in Englewood, Harvey, University
7	Park, Austin, Country Club Hills, Mondale, Roseland,
8	or Chatham.
9	We are tired of the smoke and mirrors these
10	big media companies play with the FCC and within the
11	community. We want to send a clear message to the
12	media monstrosities that the African-American
13	community cannot be silenced and bought out with
14	sponsorship of chicken dinners
15	MODERATOR SIGALOS: Thank you very much
16	MS. LEAVELL: and conventions.
17	MODERATOR SIGALOS: Ms. Leavell. Thank
18	you.
19	(Applause and cheers.)
20	MS. LEAVELL: My longer version is
21	available for all to hear.
22	MODERATOR SIGALOS: One moment, Mr. Lyle.
23	MS. LEAVELL: I have two more paragraphs
24	MODERATOR SIGALOS: Mr. Lyle.
25	MS. LEAVELL: but you got the message.
	I and the second

MODERATOR SIGALOS: Mr. Lyle.

MR. LYLE: Mr. Benton, you thought you had a tough act to follow.

Mr. Chairman, members of the Commission, as President and CEO of the Illinois Broadcasters Association, and on behalf of the many broadcasters we represent here in the state, welcome to our fine state and this fabulous City of Chicago.

And while tonight's hearing may take place in one of the largest media markets in America, let me remind you that you are first and foremost in the State of Illinois. A state that's home of a balanced mix of independent and corporate broadcast owners operating in all size markets, and what I would suggest is a true reflection of the ownership landscape we find throughout American today.

If you were to stay a few extra days to travel throughout our state, you'd find our airwaves filled with a variety of examples of broadcasters serving their communities of license well. You'd hear a play by play of high school sports, news coverage of city council meetings, on air fundraisers for local charities, just to name a few.

The fact today's gathering here in Chicago is indeed an official on the record FCC hearing

suggests that there will be plenty of time for listening. We hope we can count on you to do just that. But as the night progresses, it's important you

hear the dedication of broadcasters in our state.

It's important you hear stories of listeners and viewers alike who rely on their local broadcasters to not only alert them in time of bad weather, but also solicit their help in times when bad people abduct innocent children. It's important you hear examples explaining how in a recent survey some \$463 million of reported \$10.3 billion in public service generated by America's broadcasters came from Illinois broadcasters.

Illinois It's important you hear that broadcasters reach outside the state's borders in time of national need. When the FCC formed the media 9/11 and reliability council after security promote best practices when identify and disasters hit, you asked IBA member Tribune Company to lead the effort. They did so and their efforts were tested when Hurricane Katrina ravaged the Gulf Coast.

Unlike some government agencies, broadcasters rose to the occasion to hold the New Orleans community together when Mother Nature ripped it apart. And just this week, Tribune Broadcasting

NEAL R. GROSS

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

2

3

4

5

6 7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

the Ad Council, the media industry's leading public service organization. Illinois broadcasters' commitments to their communities near and far are impressive indeed.

was given the highest award for community service by

It's important tonight the you hear dedication Illinois broadcasters have for assuring the broadcast industry employees a diverse work force. ongoing commitment to diversity allows association to annually team together with down state Bradley University in providing a one week hands on high school multicultural student summer workshop for up to 25 high school students, many likely getting their first away from home college experience while at the same time being introduced to careers in broadcasting.

It's important you hear about our association's multicultural intern program, now in its 20th year of providing hands on paid internships to some of Illinois' brightest college students seeking a These efforts post-graduate broadcast career. devote -- rather dove tail nicely with the programs that broadcasters have established on a nationwide scale through the NAB Educational Foundation, known as NABEF.

all levels of broadcasting through a wide range of education and training programs. For example, NABEF runs an executive level MBA style program for women and people of color who want to be station owners and senior executives of broadcasting. In fact, 18 of the 125 graduates of this program have actually gone on to become station owners. And some 28 have advanced to senior management or larger markets. NABEF also provides fellowships for other management training programs, like the management development seminar for television executives run right here at Northwestern.

NABEF is working to increase diversity at

And it's important you hear that Illinois broadcasters expand the diversity efforts outside radio and TV when government regulations don't tie their hands. Since 2003 Tribune has published Hoy, the only Spanish language daily newspaper in Illinois. It sets its editorial policy independently from the Chicago Tribune, covers news, politics, cultural and entertainment issues of concern to the Chicago area's largest minority group, nearly two million in size. Hoy has created new jobs in journalism and marketing for Latinos, and brought Chicago's Hispanic community closer together through its involvement in community organizations and events.

1	The list of diversity promoting efforts is
2	long, but to ensure these opportunities are truly
3	meaningful, we must have a public policy that seeks to
4	ensure a multitude of voices in the media while at the
5	same time allowing enough flexibility to foster a
6	competitive and healthy media market.
7	Mr. Chairman, Commissioners clearly the
8	current archaic media ownership rules hold back the
9	entire industry, so please listen tonight, and then
10	come to the realization why
11	MODERATOR SIGALOS: Thank you
12	MR. LYLE: so many of FCC's current
13	rules, some adapted nearly a generation ago have
14	embraced
15	MODERATOR SIGALOS: Thank you, Mr. Lyle.
16	MR. LYLE: the serve to our local
17	communities and the diverse neighborhoods they serve.
18	Thank you.
19	MODERATOR SIGALOS: Thank you very much.
20	(Applause.)
21	MODERATOR SIGALOS: Mr. Nowakowski.
22	MR. NOWAKOWSKI: Thank you. Good evening.
23	My name is Douglas Nowakowski, and I'm testifying on
24	behalf of the International Brotherhood of Teamsters,
25	and its General President, James P. Hoffa,

representing 1.4 million members and hundreds of thousands of retirees who live in communities across the country.

For 35 years I worked at both of the two major newspaper in Baltimore, the Baltimore News American and the Baltimore Sun Company. I had represented employees as an elected Union official at both newspapers for nearly 20 years, and continue to represent newspaper workers across the country as a teamster representative, including roughly 2,000 at Tribune Company papers.

We appreciate the Commissioners' interest in conducting public hearings to review broadcast ownership concerns and in seeking ways to protect the public interest in an ever evolving industry.

My comments today will focus specifically on private equity ownership of once publically held broadcast companies, and I'll reference the proposed Tribune buy out as an example of why the FCC must concern itself with the ownership structure of media companies, particularly when waivers of cross-broadcast ownership rules have been sought in order to fulfill its mission to protect localism, view point diversity, media access, and other issues of vital importance.

NEAL R. GROSS

2

3 4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

While the financing structure of media companies has not generally been considered pertinent to the issues of interest to the FCC in reviewing transfer applications, proposed financing is particularly relevant when the transfer of ownership is to private equity.

The structure proposed in the Tribune application provides insight into the potential dangers of approving an ownership structure insulates an individual with total control of the company from the owners of that company, as well as the diverse interest of the communities that company This is the critical difference between private and public ownership.

In the Tribune Company's application to the FCC for a change of control and waivers to its broadcast cross-ownership rules, the ownership of the 16 newspapers and 23 television and its company stations will be transferred to an employee stock ownership plan, but will only be controlled by one individual, Sam Zell, who will serve as it Chairman of Despite being owners, the employees with the Board. have no voice in the governance of the ESOP or the operating company. Additionally, the ESOP trustee and all nine members of the ESOP plan committee, all

residents of Illinois, were hand picked by management.

8

9

10

11 12

13

14

15

16

17

18

19

20

21

22 23

24

25

Not only is this an opportunity lost, it sets a bad precedent in its separation of ownership from management, and its insulation of Mr. Zell from meaningful licensee responsibility. Giving voice to the employee owners would better serve the public The employee owners of Tribune represent a very diverse group, likely representing every race, ethnicity, gender, age, sexual orientation, economic status, and profession within the company, and also important, every geographic area served by the Tribune Company.

This diverse perspective would better serve and the citizens of the company Tribune served communities, and would re-emphasize the fundamental role of licensee responsibility in the Commission's regulatory function. Thank you very much.

(Applause.)

MODERATOR SIGALOS: Thank Mr. you, Nowakowski.

Ms. Rivera.

My name is MS. RIVERA: Good evening. Silvia Rivera, and I'm General Manager of 90.5 FM Radio Arte, a community radio station owned by the National Museum of Mexican Art, and, unfortunately,

one of the handful of public radio stations owned by Latinos in this country. Equally as important to point out, 4 lamentable, is that I'm one of the few women in a 5 position of leadership, not just in Chicago, but 6 throughout the country. 7 Commissioners, I submit to you that even in 8 public media, the Latino community is underserved and 9 under-represented as are women in other communities of 10 color. 11 and the 12 13

With the third largest Latino population, second largest Mexican population in country, Chicago stands as one of the prime American cities. But to be quick and to the point, despite our city's diversity, this reality is not reflected in our media landscape.

We do not own our own media, we will not be able to own our own media if further consolidation And the current media that does cater to the Spanish speaking Latino community is falling short of serving the public's interest. The statistics are evident in the Benton Foundation report that you have read, or should read, and other Fress Press studies. And you will surely hear more statistics tonight.

Today I speak for my colleagues working in

NEAL R. GROSS

1

2

3

14

15

16

17

18

19

20

21

22

23

24

Spanish language media, working in TV, radio and print. Today I speak for those who are not able to testify here today because if they did their jobs would be compromised. But today I will speak for them and the affects that 10 years of media ownership consolidation has had on the Latino community, because my colleagues, if they were here right now, they would speak of limited opportunities for growth.

They will tell you that while there are more TV and radio stations catering to the Spanish speaking Latino community, jobs have been consolidated or eliminated altogether, they will tell you that the hours have been extended without an increase in pay, that the quality of programming has been compromised, that creativity has been stifled, that localism has been diluted.

My colleagues in print media would tell you of dwindling commissions and sales because of general market papers in this town giving ad space in this Spanish dailies as freebies as incentives to their clients. They will tell you of the overuse of syndicated wire, and of less staffing for local coverage, and so on, and so on.

But unfortunately my colleagues can say nothing because if you want to work in this town in

NEAL R. GROSS

media, in the field of communications, you must stay quiet. So much for freedom of speech.

(Applause.)

MS. RIVERA: And of freedom of choice, because as far as choices in media, we only have a few. Turn on Spanish language TV and you get telenovelas; you get sexualized images of our women; bikinis and Latinas, that sells. Let's program some more of that. Let's program the DJ and his sexual innuendos, his homophobic rhetoric. Let's play the same record over and over again, because the record company that promotes the artist just happens --

(Applause and cheering.)

MS. RIVERA: -- to own the radio station, that happens to website, that happens to own, well, I guess the public interest. Never mind the musical heritage of the city when artists can get played on the internet. But even that liberty is under threat.

Si tuvería tiempo les diria de todas las cosas ofensivas que he escuchado en el aire. For all you know, I could have sworn at you. But without a process in place that informs the Latino community that they do not have to listen to the Spanishlanguage equivalents of the seven filthy words, they are subject to the commercial interest of media who

1	qualify this as entertainment. And, no, I did not
2	swear. We are broadcasting this live, and I don't
3	want to get fined.
4	So if the FCC is here wanting to know if
5	Chicago's residents are being well served, the answer
6	is no. If local talent is being covered, the answer
7	is no. If community issues are being treated
8	sensitively, the answer is no. If minority group's
9	getting the coverage and input that they need, the
10	answer is no. The answer is no.
11	Today, on behalf of the Latino/Latina
12	community, I ask the FCC to support laws that would
13	return the airwaves to the people, encourage localism
14	and diversity, end these monopolies, safeguard our
15	freedom of speech, of choice, and create opportunities
16	for marginalized communities to have their voice.
17	Please support Commissioner Adelstein and
18	Copps' recommendations, as they are just and long
19	overdue. <i>Sí, se puede, comisionados.</i> And, no, I did
20	not swear.
21	(Applause and cheering.)
22	MODERATOR SIGALOS: Thank you, Ms. Rivera.
23	(Applause.)
24	MODERATOR SIGALOS: Ms. Withers.
25	MS. WITHERS: Good evening, Chairman
	ll

Martin, and to the entire Commission. I'm Dana Withers. My company is Dana Communications, headquartered in Benton, Illinois.

I own and operate stations in Illinois and Missouri, all located in small communities where we are the information lifeline, the sports voice, and the public service provider. I acquired my first station 15 years ago with seller financing, improved the coverage from 3,000 to 25,000 watts, and have gradually over the years building five stations from an application process.

I just completed my term as Chairman of the Illinois Broadcasters Association, and presently serve on the Executive Committee as immediate past Chair.

I will be the first one to agree with some of you about the state of radio. Radio as an industry is not the same as it was 10-20-40 years ago. Is it a bad thing? I don't think so. The media industry has changed. No one can deny that. How people have listened to music has changed, how they receive and engage with the news has changed. And for radio owners like myself, the competitive pressures have changed drastically.

Nonetheless, we still provide top quality music, news, local information, weather, emergency

NEAL R. GROSS

just as Congress believes, that the rules that govern this industry should reflect the undeniable changes in the media market place.

It is easy to see the past through rose colored glasses, but every day radio station owners have to deal with reality, and the reality is that outdated regulations can hold us back from competing with industries that are not regulated like ours. Few people know this, but there are more radio stations today in the United States than ever. In fact, despite all the complaints about media consolidation, there are more radio station owners than before.

These simple statistics belie the often repeated claim that radio in this country has been swallowed by a few corporate giants. Sure there are some large companies, as there are in any industry worth investing in. But lost in all the yelling and finger pointing are the thousands of other radio station owners that compete fiercely in ever local community in this country.

Decades ago we used to compete with each other and maybe a few local newspapers.

Unfortunately, those days are long gone. Now radio stations are competing for the same advertising

NEAL R. GROSS

dollars as television, cable, newspaper, internet sites, and huge internet aggregaters like Google.

Google recently purchased You Tube, with nary a complaint from Washington. And yet the combined advertising revenue of those two companies outweighs our own by a factor larger than I'd like to admit.

Even in the face of these new competitive pressures we have, and will not, forget that our primary task is service to the community. I'm sure I'm not the first broadcaster to sit on one of these panels and tell you that broadcasters contribute billions of dollars in community service every year, but it is clearly a huge number.

And I think you would be hard pressed to find an industry that contributes more to their local communities than broadcasters. But like anything in world, community service, quality business the journalism, good local talent, and qualified staff The radio business is not getting money. cost competition for advertising with cheaper, and increasing by the month, every dollar we earn has to be spread that much further.

We cannot have a robust and effective broadcasting system in this country if it is allowed to be choked by regulations created for a wholly

NEAL R. GROSS

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

	121
1	different area era, an era of three television
2	networks, no cable, no satellite, and no internet.
3	Many of these regulations were put into place before
4	the advent of tape players and 8-track tapes. I don't
5	know about any of you, but I haven't owned an 8-track
6	player in 25 years.
7	It's hard sometimes on this side of the
8	debate to wax poetic about the financials of the
9	broadcast industry. No matter how much I flower up
10	the language, it's probably not going to bring this

But as I mentioned before, I have to deal in realities, and the reality today is that radio stations have to fight harder than ever to compete. Without some modernization of rules, traditional media like radio, television, and newspaper will remain shackled by chains of a bygone era as new media entities flourish without any type of restraint.

Like any industry, radio has to adapt to the changes in the market place. We are eager to embrace new technologies and new plans to remain relevant in our local communities for decades to come. We hope you will allow us that chance. Thank you.

(Applause.)

intelligent audience to tears.

MODERATOR SIGALOS: Thank you, Ms. Withers.

NEAL R. GROSS

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1	Audience, can you please join me in
2	thanking the panelists for their participation this
3	evening?
4	(Applause.)
5	CHAIRMAN MARTIN: Before we move on, I
6	actually I just had I wanted to ask one quick
7	question of Karen Bond.
8	Could you tell could you just follow up
9	for a second on your idea that you mentioned about
10	elected representatives from the local community on
11	the board?
12	MS. BOND: I'm sorry. I can't hear you.
13	CHAIRMAN MARTIN: I said, could you follow
14	up sorry I believe that's on could you follow
15	up for just one minute and give me and repeat again
16	your ideas about how there should be a panel of
17	elected representatives on the local broadcasters
18	boards? You mentioned that, I didn't quite understand
19	what you were talking about. Could you
20	MS. BOND: To review the see there's a
21	fan right here, so
22	CHAIRMAN MARTIN: I know.
23	MS. BOND: To review the diversity
24	recommendations oh, sorry to review the
25	diversity recommendations

talking about on the local board --2 MS. BOND: Oh, the elected board. 3 CHAIRMAN MARTIN: Yes. 4 5 MS. BOND: Oh, I'm sorry. I'm sorry. The fan, it's loud. 6 7 Our organization is starting a campaign and we are looking at a 51 percent number, and this comes 8 from talking to several of the station managers here 9 10 in Chicago. And -- okay -- and I do understand that they need the corporate sponsorships and they need the 11 corporate participation. I would not suggest to them 12 that they have 100 percent elected representatives for 13 14 practical reasons. But we feel that if you're using the public 15 airwaves, which we've established we own, that you, in 16 fact, should allow us to have that 51 percent majority 17 on the governing board of anyone who using our 18 airwaves. 19 (Applause and cheering.) 20 And we propose that, just like 21 MS. BOND: you elect, from that long list of judges on your 22 ballot every four years, that you would also elect 23 the broadcast outlets, 24 your representatives for 25 because you own them.

CHAIRMAN MARTIN: No, I think you were

And I think you'll probably hear comments from this audience today about the issue of lyrics, and stereotypes, and things of that nature. There was a famous Imus incident, and we believe that the FCC should not be supernanny, you should not be censors who -- listening to every word that goes out over the airwaves, and then calling us and telling us whether or not we can say it or not.

What we'd like to see is we'd like to see governing boards that have that community standard in place who are operating the stations with accountability, and they answer to the public. And if they don't do it, they end up not being on the board the next time around. And that accountability doesn't exist.

Right now what happens is we, as activists, are going to stations. We've been WTTW and other stations to ask them -- to inform them that the majority of the City of Chicago is people of color, but when we watch television in Chicago, we feel like we're in upper Saskatchewan somewhere.

(Applause.)

MS. BOND: One thing you may not know is, and we haven't talked about television a lot tonight, if you look at the major three broadcast outlets in

NEAL R. GROSS

1	Chicago, the CBS Channel 2, NBC Channel 5, ABC Channel
2	7, WGN Channel 9, and WTTW, our PBS station, or FOX
3	Channel 32, there is not one single political talk
4	show hosted by an African-American.

(Applause and cheering.)

MS. BOND: Go figure. You can't even believe that that's the case. But, in fact, it is the case. When we have an election, and you turn on the television like at 1:00 in the morning, and they're all sitting around the table reviewing the results and whatnot, every political director on every one of those stations, none of them are Black.

(Applause.)

MS. BOND: And it harkens back to when -my earlier -- I was not very experienced at being in
Chicago at the time, back in the '80s when Harold
Washington was elected. And I remember watching the
TV at 2:00 and 3:00 a.m. and all of these pundits that
everyone in the city was supposedly respecting so
much, the White political commentators, were sitting
at tables saying, How did this happen? We -- who
knew? How did he end up being elected?

And everyone in the Black community knew he was going to be elected. No one had any doubt, because we listen to Black radio. We had absolutely

NEAL R. GROSS